

Internal Revenue Service, Treasury

§ 1.6049-2

payment or condition upon which payment is to be made, and is made available to him so that it may be drawn at any time, and its receipt brought with-in his own control and disposition.

(c) *Time and place for filing*—(1) *Payment of interest*. The returns required under this section for any calendar year for the payment of interest shall be filed after September 30 of such year, but not before the payer's final payment for the year, and on or before February 28 of the following year with any of the Internal Revenue Service Centers, the addresses of which are listed in the instructions for Form 1096. For extensions of time for filing returns under this section, see § 1.6081-1.

(2) *Original issue discount*. (i) The returns required under this section for any calendar year for original issue discount shall be filed after December 31 of such year and on or before February 28 of the following year with any of the Internal Revenue Service Centers, the addresses of which are listed in the instructions for Form 1096. For extensions of time for filing returns under this section, see § 1.6081-1.

(ii) The time for filing returns for the calendar year 1971 required under this section for original issue discount in respect of obligations to which paragraph (e) of § 1.1232-3A applies (relating to deposits in banks and other similar financial institutions) is extended to April 15, 1972.

(d) *Penalty*. For penalty for failure to file the statements required by this section, see § 301.6652-1 of this chapter (Regulations on Procedure and Administration).

(e) *Permission to submit information required by Form 1087 or 1099 on magnetic tape*. For rules relating to permission to submit the information required by

Form 1087 or 1099 on magnetic tape or other media, see § 1.9101-1.

(Secs. 6049 (a), (b), and (d) and 7805 of the Internal Revenue Code of 1954 (96 Stat. 592, 594; 26 U.S.C. 6049 (a), (b), and (d); 68A Stat. 917, 26 U.S.C. 7805), and in sec. 309 of the Tax Equity and Fiscal Responsibility Act of 1982 (96 Stat. 591))

[T.D. 6628, 27 FR 12800, Dec. 28, 1962, as amended by T.D. 6879, 31 FR 3494, Mar. 8, 1966; T.D. 6883, 31 FR 6589, May 8, 1966; T.D. 7000, 34 FR 996, Jan. 23, 1969, T.D. 7154, 36 FR 25009, Dec. 28, 1971; 37 FR 527, Jan. 13, 1972; T.D. 7311, 39 FR 11881, Apr. 1, 1974; T.D. 7584, 44 FR 1103, Jan. 4, 1979; T.D. 7881, 48 FR 12968, Mar. 28, 1983]

§ 1.6049-2 Interest and original issue discount subject to reporting in calendar years before 1983.

(a) *Interest in general*. Except as provided in paragraph (b) of this section, the term "interest" when used in this section and §§ 1.6049-1 and 1.6049-3 means:

(1) Interest on evidences of indebtedness issued by a corporation in "registered form" (as defined in paragraph (d) of this section). The phrase "evidences of indebtedness" includes bond, debentures, notes, certificates and other similar instruments regardless of how denominated.

(2) Interest on deposits (except deposits evidenced by negotiable time certificates of deposit issued in an amount of \$100,000 or more) paid (or credited) by persons carrying on the banking business. In the case of a certificate of deposit issued in bearer form, the term "interest", as used in the preceding sentence and in paragraph (a)(1)(vi) of § 1.6049-1, has the same meaning as in § 1.61-7 (regardless of whether taxable to the payee in the year the information return is made).

(3) Amounts, whether or not designated as interest, paid (or credited) by mutual savings banks, savings and loan associations, building and loan associations, cooperative banks, home-stead associations, credit unions, or

similar organizations in respect of deposits, face amount certificates, investment certificates, or withdrawable or repurchasable shares. Thus, even though amounts paid or credited by such organizations with respect to deposits are designated as "dividends", such amounts are included in the definition of interest for purposes of section 6049.

(4) Interest on amounts held by insurance companies under agreements to pay interest thereon. This includes interest paid by insurance companies with respect to policy "dividend" accumulations (see sections 61 and 451 and the regulations thereunder for rules as to when such interest is considered paid), and interest paid with respect to the proceeds of insurance policies left with the insurer. The so-called "interest element" in the case of annuity or installment payments under life insurance or endowment contracts does not constitute interest for purposes of this section.

(5) Interest on deposits with stockbrokers, bondbrokers, and other persons engaged in the business of dealing in securities.

(b) *Exceptions.* The term "interest" when used in section 6049 does not include:

(1) Interest on obligations described in section 103(a) (1) or (3), relating to certain governmental obligations.

(2) Any payment by:

(i) A foreign corporation,

(ii) A nonresident alien individual, or

(iii) A partnership composed in whole or in part of nonresident aliens,

if such corporation, individual, or partnership is not engaged in trade or business within the United States and does not have an office or place of business or a fiscal or paying agent in the United States.

(3) Any interest which is subject to withholding under section 1441 or 1442 (relating to withholding of tax on nonresident aliens and foreign corporations, respectively) by the person making the payment, or which would be so subject to withholding but for the provisions of a treaty, or for the fact that under section 861(a)(1) it is not from sources within the United States, or for the fact that withholding is not re-

quired by reason of paragraph (a) or (f) of § 1.1441-4.

(4) In the case of a nominee, any interest which he receives and with respect to which he is required to withhold under section 1441 or 1442, or would be so required to withhold but for the provisions of a treaty, or for the fact that under section 861(a)(1) it is not from sources within the United States, or for the fact that withholding is not required by reason of paragraph (a) or (f) of § 1.1441-4.

(5) Any amount on which the person making the payment is required to deduct and withhold a tax under section 1451 (relating to tax-free covenant bonds), or would be so required but for section 1451(d) (relating to benefit of personal exemptions).

(6) Any amount which is subject to reporting as original issue discount.

(c) *Original issue discount.*—(1) *In general.* The term "original issue discount" when used in this section and §§ 1.6049-1 and 1.6049-3 means original issue discount subject to the ratable inclusion rules of paragraph (a) of § 1.1232-3A, determined without regard to any reduction by reason of a purchase allowance under paragraph (a)(2)(ii) of § 1.1232-3A or a purchase at a premium as defined in paragraph (d)(2) of § 1.1232-3.

(2) *Coordination with interest reporting.* In the case of an obligation issued after May 27, 1969 (other than an obligation issued pursuant to a written commitment which was binding on May 27, 1969, and at all times thereafter) and on or before December 31, 1982, original issue discount which is not subject to the reporting requirements of paragraph (a)(1)(ii) of § 1.6049-1 is interest within the meaning of paragraph (a) of this section. Original issue discount which is subject to the reporting requirements of paragraph (a)(1)(ii) of § 1.6049-1 is not interest within the meaning of paragraph (a) of this section.

(3) *Exceptions.* Reporting of original issue discount is not required in respect of an obligation which paragraph (b)(2) of this section except from interest reporting.

(d) *Definition of "in registered form."* For purposes of § 1.6049-1 and this section, an evidence of indebtedness is in registered form if it is registered as to

both principal and interest (or, for purposes of reporting with respect to original issue discount, if it is registered as to principal) and if its transfer must be effected by the surrender of the old instrument and either the reissuance by the corporation of the old instrument to the new holder or the issuance by the corporation of a new instrument to the new holder.

(Secs. 6049 (a), (b), and (d) and 7805 of the Internal Revenue Code of 1954 (96 Stat. 592, 594; 26 U.S.C. 6049 (a), (b), and (d); 68A Stat. 917, 26 U.S.C. 7805), and in sec. 309 of the Tax Equity and Fiscal Responsibility Act of 1982 (96 Stat. 591))

[T.D. 6628, 27 FR 12801, Dec. 28, 1962, as amended by T.D. 6908, 31 FR 16774, Dec. 31, 1966; T.D. 6966, 33 FR 11262, Aug. 8, 1968; T.D. 7154, 36 FR 25011, Dec. 28, 1971; T.D. 7584, 44 FR 1104, Jan. 4, 1979; T.D. 7881, 48 FR 12968, Mar. 28, 1983]

§ 1.6049-3 Statements to recipients of interest payments and holders of obligations to which there is attributed original issue discount in calendar years before 1983.

(a) *Requirement.* Every person filing (1) a Form 1099 or 1087 under section 6049(a)(1) and § 1.6049-1 with respect to payments of interest or (2) a Form 1099-OID or 1087-OID with respect to original issue discount includible in gross income, shall furnish to the person whose identifying number is (or should be) shown on the form a written statement showing the information required by paragraph (b) of this section. With respect to interest, no statement is required to be furnished under section 6049(c) and this section to any person if the aggregate of the payments to (or received on behalf of) such person shown on the form would be less than \$10. With respect to original issue discount, no statement is required to be furnished under section 6049(c) and this section to any person if the aggregate amount of original issue discount on the statement to such person with respect to the obligation would be less than \$10. References in this section to Form 1099 shall be construed to include Form 1099-BCD, except that in applying paragraph (b)(2) of this section no information relating to the person to whom the certificate of deposit was originally issued shall be disclosed to

another person to whom the payment of interest is made.

(b) *Form of statement*—(1) *In general.* The written statement required to be furnished to a person under paragraph (a) of this section shall show:

(i) With respect to payments of interest (as defined in § 1.6049-2) aggregating \$10 or more to any person during a calendar year before 1983:

(a) The aggregate amount of payments shown on the Form 1099 or 1087 as having been made to (or received on behalf of) such person and a legend stating that such amount is being reported to the Internal Revenue Service, and

(b) The name and address of the person filing the form, and

(ii) With respect to original issue discount (as defined in § 1.6049-2) which would aggregate \$10 or more on the statement to the holder during a calendar year after 1970 and prior to calendar year 1983:

(a) The aggregate amount or original issue discount includible by (or on behalf of) such person with respect to the obligation, as shown on Form 1099-OID or Form 1087-OID for such calendar year (determined by applying the rules of paragraph (a)(1)(ii) of § 1.6049-1 for purposes of completing either form),

(b) All other items shown on such Form 1099-OID or Form 1087-OID for such calendar year (so determined), and

(c) A legend stating that such amount and such items are being reported to the Internal Revenue Service.

(2) *Special rule.* The requirements of this section for the furnishing of a statement to any person, including the legend requirement of this paragraph, may be met by the furnishing to such person of a copy of the Form 1099, 1099-OID, 1087, or 1087-OID filed pursuant to § 1.6049-1, or a reasonable facsimile thereof, in respect of such person. However, in the case of Form 1087-OID or 1099-OID, a copy of the instructions must also be sent to such person. A statement shall be considered to be furnished to a person within the meaning of this section if it is mailed to such person at his last known address.

(c) *Time for furnishing statements*—(1) *In general*—(i) *Payment of interest.* Each statement required by this section to